

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

**Re: ECF Nos. 20458, 20467, 21902**

(Jointly Administered)

**DECLARATION OF EDUARDO M. INCLÁN PIETRANTONI IN ACCORDANCE WITH THE  
PUERTO RICO RECOVERY ACCURACY IN DISCLOSURES ACT AND RESPONSE TO  
ORDER TO SHOW CAUSE [ECF NO. 21902]**

I, Eduardo M. Inclán Pietrantoni, under penalty of perjury, declare as follows:

1. I am a Managing Director of Bluhaus Capital, LLC (“Bluhaus”), a Puerto Rico-based advisory and investment management firm. Bluhaus provides consulting services to the Puerto Rico Fiscal Agency and Financial Authority (“AAFAF”), which is the sole entity authorized to act on behalf of Puerto Rico government entities, by virtue of Act 2-2017. Bluhaus has provided such services to AAFAF, under separate contracts, since February 2017 in matters not related to the Title III cases. From time to time, Bluhaus, acting at AAFAF’s instructions, supports other governmental instrumentalities, agencies, and elected officials, officers, or employees of the Commonwealth or other governmental instrumentalities or agencies in their official capacity. Additionally, in the past, since 2018, Bluhaus has supported other governmental entities under separate contracts, including the Puerto Rico Highways and Transportation Authority, the Puerto Rico Industrial Development Company and the Governing Board of the University of Puerto Rico, in matters not related to the Title III cases.

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA” and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

2. I submit this declaration (the “Declaration”) in accordance with the Puerto Rico Recovery Accuracy in Disclosures Act, Pub. L. No. 117-82, 48 U.S.C. § 2178(c) (“PRRADA”) and rule 2014(a) of the Federal Rules of Bankruptcy Procedure to make certain disclosures contained herein. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein and, if called as witness, I would testify thereto.
3. To best of my knowledge, Bluhaus does not represent and will not represent any entity, including AAFAF (or, through AAFAF, certain government entities and individuals in their official capacity as members of the government of Puerto Rico), in matters related to these Title III cases. Furthermore, to the best of my knowledge, I believe that Bluhaus: (i) is a “disinterested person”, as that term is defined in section 101(14) of the Bankruptcy Code, relative to any entity or person on the Amended MIP List (as defined below), and (ii) does not represent or hold an adverse interest in connection with the Title III cases.

#### **BLUHAUS DISCLOSURES PROCEDURES**

1. In accordance with PRRADA, Bluhaus conducted a check for conflicts of interest and other conflicts and connections. Bluhaus maintains a database containing the names of current and former clients and other principal parties related to such clients. I and/or employees under my supervision caused Bluhaus to review and analyze the conflicts database to determine whether Bluhaus has any relationships with the material interested parties (“MIPs”) listed on the Amended List of Material Interested Parties Pursuant to Puerto Rico Recovery Accuracy in Disclosure Act [ECF No. 20458] (the “Amended MIP List”).
2. Further, I and/or employees under my supervision delivered the list of MIPs to each executive level employee at Bluhaus and asked each such employee to identify any connection she/he has with each MIP, if any. Specifically, I and/or employees under my supervision requested each of Bluhaus’ executive level employees to determine, to the best of their knowledge or recollection, whether any such employee: (a) has any immediate family member who is or has been employed by an MIP; or (b) has any other significant connection with any MIPs.
3. To the extent that such searches and/or requests for information indicated that Bluhaus or any of its employees has or had any such connection with any MIPs within the last five years, the identity of such entity, and Bluhaus’ and/or its employees’ connection therewith, are set forth on the attached Schedule 1. Out of an abundance of caution, I have also included on Schedule 1 all such connections with each of the Debtors.
4. I believe that none of the connections disclosed on Schedule 1 have or will affect Bluhaus’ representation of AAFAF in matters requiring Bluhaus’ services.
5. Bluhaus’ services encompass the representation of many entities, some of which may be or may become parties in interest without Bluhaus’ knowledge. Further, as part of its services, Bluhaus represents clients in numerous matters involving other law firms, financial advisory firms, and professionals in either adverse and non-adverse roles, some of whom may represent the Debtors, creditors, or parties in interest, or may themselves be creditors or parties in interest in these Title

III Cases or may employ persons with whom Bluhaus personnel have personal or familiar relationships. Although it is not practicable for Bluhaus to identify all such connections, except as otherwise disclosed herein in Schedule 1, I am unaware of any such connections that are material and believe that none of them would prevent Bluhaus from being disinterested; would involve the holding or representation of an interest adverse to the Debtors' respective estates; or would create a conflict of interest with respect to this employment.

6. Further, given the diversity of Bluhaus' services and the number of MIPs, as specifically set forth below and on Schedule 1, Bluhaus represents and has represented certain of the MIPs in matters unrelated to the Debtors and these Title III cases. Further, Bluhaus provide services, currently provides services, and may in the future represent entities that are MIPs or affiliates thereof in matters unrelated to the Debtors' Title III Cases. Bluhaus has not, and will not, represent any MIPs including AAFAF (or, through AAFAF, certain government entities and individuals in their official capacity as members of the government of Puerto Rico) in any matter relating to the Debtors' Title III Case.

#### SPECIFIC DISCLOSURES

7. Bluhaus' advisory role to AAFAF does not include any debt negotiation and or matters relating to any of the Title III Cases. Bluhaus' services are focused on: (i) support and validation of fiscal plan measures including operating trends, financial performance, and operating financial projections; (ii) support on the development of new fiscal and financial projections of certain Commonwealth component units of the Government of Puerto Rico; (iii) support AAFAF management with the implementation of fiscal plan and related measures; (iv) support and monitor budget process and monthly forecast including operating trends; (v) assist in the establishment of project management offices and workstreams to oversee fiscal plan process; and (vi) assist in general advisory support, unrelated to the Title III Case.
8. Furthermore, in June 2019, after consultation with AAFAF and Godfrey & Khan, S.C., PROMESA's Fee examiner counsel, Bluhaus and AAFAF amended their contract to remove the requirement to comply with the procedures regarding submission of a Monthly Fee Statement to the U.S. District Court presiding over the Title III cases in accordance with the Interim Compensation Procedures, as it was understood that our services were not related to any of the Title III cases.
9. We understand that the characterization, in the Amended MIP List, of our firm as a "Professional Retained in the ERS Title III Case", "Professionals Retained in PREPA Title III Case", and "Professionals Retained in the HTA Title III Case" is inaccurate. Bluhaus has never been retained by ERS or PREPA, and has not performed work, including indirectly under any of the mentioned engagements, for ERS or PREPA, including matters not related with the Title III cases. For HTA, Bluhaus was engaged in matters that are best characterized as "operational support" in nature.

10. Bluhaus reserves all rights to amend and/or supplement its disclosures contained herein. If additional MIPs are provided to Bluhaus and any new material relevant facts or relationships are discovered or identified, Bluhaus will promptly file a supplemental declaration.

**RESPONSE TO ORDER TO SHOW CAUSE**

1. On August 23, 2022, the United States District Court for the District of Puerto Rico issued an *Order to Show Cause Regarding Non-Compliance with the Puerto Rico Recovery Accuracy in Disclosures Act and the Court's Orders Related Thereto* [ECF No. 21902] (the “Order”), directing, among others, that Bluhaus show cause as to why it had not submitted its PRRADA disclosures. As detailed above, Bluhaus is not providing any services relating to the Title III cases. Further, as detailed above, Bluhaus has not submitted, since March, 2019, its fees as part of the Title III fee process, including through the monthly or quarterly interim fee applications following an amendment to the relevant contract between Bluhaus and AAFAF as a result of consultation with AAFAF and Godfrey & Khan, S.C., PROMESA’s Fee examiner counsel regarding the nature of Bluhaus work. Accordingly, Bluhaus understood that it was not required to submit the PRRADA disclosures. Nonetheless, in response to such Order, Bluhaus submits its PRRADA disclosures herein and requests that the Court take notice of the foregoing, and deem Bluhaus in compliance with the Order.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Executed on August 30, 2022

/s/ 

Eduardo M. Inclán Pietrantoni

**SCHEDELE 1**

<b>Material Interested Party</b>	<b>Relationship to Bluhaus</b>
Commonwealth of Puerto Rico	Current Client, through the Puerto Rico Fiscal Agency and Financial Authority
Puerto Rico Highways and Transportation Authority	Former Client
Puerto Rico Industrial Development Company	Former Client – Support with New Incentive Code Fiscal Impact
LUMA	The daughter of a Bluhaus employee is employed by LUMA as an attorney in the Legal Division.
Asociación de Empleados del Estado Libre Asociado de PR (AEELA)	Investor in an affiliate of Bluhaus
Banco Popular de Puerto Rico	Current lender of Bluhaus' affiliate and investor in an affiliate of Bluhaus
Oriental Bank	Current lender of Bluhaus' affiliate and investor in an affiliate of Bluhaus; the father of Bluhaus employee is a member of the Board of Oriental Bank.
Marichal Santiago & Juarbe, LLC	Current legal service provider in matters unrelated to the Debtors' Title III cases
Ferraiuoli, LLC	Current legal service provider in matters unrelated to the Debtors' Title III cases
Marini Pietrantoni Muniz LLC	Current legal service provider in matters unrelated to the Debtors' Title III cases; a first cousin of a Bluhaus employee is an MPM attorney
Federico Stubbe Arsuaga	Former Client – Provided Project Finance advisory to one of his affiliates
Universal Insurance Company	Investor in an affiliate of Bluhaus
United Surety & Indemnity Company	Investor in an affiliate of Bluhaus; the spouse of a Bluhaus employee is a USIC employee
Puerto Rico Hospital Supply, Inc.	Debtor to a Bluhaus affiliate
ROCA III, CESAR A	Investor in an affiliate of Bluhaus

A “current client” is an entity for which there are, as of the date hereof, active matters on which Bluhaus is engaged. A “former client” is an entity for which there are no active matters as of the date hereof, but there may in the future be active matters. A “family member” refers to the mentioned immediate family, including spouse, significant other, parents, siblings, or children. Please note that the identification of a MIP on this Schedule 1 is not an admission of a conflict, disabling or otherwise

